

**REMARKS/ARGUMENTS**

Claims 1-63 are pending in the present application. Claims 1, 35, 39, 43, 46, 48, 50-51, 53 and 55 have been amended. Claims 2-3, 8, 21-34, 44, 47, 52 and 54 have been canceled. New claims 59-63 have been added. No new matter has been added. Reconsideration of the rejected claims is respectfully requested.

**Rejections Under U.S.C. § 102**

In the Office Action, claims 35-51 and 55 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 7,032,047 to DiRaimondo et al. (hereinafter "DiRaimondo"). This rejection is traversed. Reconsideration is respectfully requested.

DiRaimondo does not anticipate (or obviate) the present claims. To anticipate a claim, each and every element must be disclosed in the prior art reference being cited. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2USPQ2d 1051, 1053 (Fed. Cir. 1987); MPEP § 2131. Here, DiRaimondo fails to teach (or suggest) each and every limitation in independent claims 35, 39, 43 and 46.

In the Office Action, the Examiner admits that "DiRaimondo does not teach the acceptance point device receiving the indication [to change the status of the portable device] *directly* from the user." See Office Action at 6 (emphasis in original). Accordingly, independent claims 35, 39, 43, and 46 have been amended to clarify that the acceptance point device (or networked computing device or computing device) receives the indication directly from the user.

Accordingly, DiRaimondo does not anticipate (or obviate) independent claims 35, 39, 43, and 46 or any claims dependent thereon.

Additionally, DiRaimondo does not teach or suggest at least one or more of the following features: (1) "receiving card image data from the portable device," (2) "modifying the parameter in the card image data" and then (3) "updating the card image data in the portable device with the modified card data image," as recited in independent claims 13, 35, 39. Independent claims 1, 43 and 46 have been amended to include similar limitations. In the Office Action, the Examiner indicates that these features are found in FIGS. 6A, 6B and column 10 line 30 to column 11 line 45. See, e.g., Office Action at 3. These passages at best simply describe a

card acceptance location that queries stored lists to determine whether a smart card is on the list, and if it is on the list, it “issues a command to the smart card to update the loyalty/concession parameter on the smart card.” Col. 11, lines 14-19. This is different from actually receiving card image data, modifying that data, and then updating the card image data in the portable device, which is not disclosed in DiRaimondo.

For these additional reasons, DiRaimondo does not anticipate (or obviate) independent claims 1, 13, 35, 39, 43, and 46 or any claims dependent thereon.

**Rejections Under U.S.C. § 103 in View of Rochman**

In the Office Action, claims 1-7, 9-20, and 56-58 are rejected under U.S.C. § 103(a) as being unpatentable over DiRaimondo in view of U.S. Patent Publication No. 2008/0139844 to Rochman et al. (hereinafter “Rochman”). This rejection is traversed. Reconsideration is respectfully requested.

Independent claims 1 (as amended) and 13 include the features “receiving card image data from the portable device,” “modifying the parameter in the card image data” and then “updating the card image data in the portable device with the modified card data image,” (claim 1) or “sending the card image data with the modified parameter to the portable device,” (claim 13) described above. As explained above, DiRaimondo does not teach (or suggest) these features. Rochman is cited to address the features in claims 1-7, 9-20, and 56-58 but does not remedy the deficiencies of DiRaimondo as explained above.

**Rejections Under U.S.C. § 103 in View of Official Notice**

In the Office Action, claims 57 and 58 are rejected under 35 U.S.C. 103(a) as being unpatentable over DiRaimondo as modified by Rochman in view of Official Notice. This rejection is traversed.

Pursuant to MPEP 2144.03, Applicants challenge the Examiner's taking of Official Notice in this Office Action. Unless a specific piece of prior art is cited to meet the claim limitations, Applicants cannot determine if the Examiner has satisfied the burden of establishing obviousness. For example, even if the Examiner can find a reference teaching “returning an error message to the portable device if the first status is an active status and the

second status is an active status," or "returning an error message to the portable device if the first status is an inactive status and the second status is an inactive status," the reference may not be combinable with the other cited references or may teach away from the combination. Thus, Applicants respectfully request that the Examiner find a prior art reference to support each allegation that a feature that is present in the claims is "well known."

**Rejections Under U.S.C. § 103 in View of McDonald**

In the Office Action, claim 52 is rejected under 35 U.S.C. 103(a) as being unpatentable over DiRaimondo in view of U.S. Patent No. 6,736,317 to McDonald et al. (hereinafter "McDonald"). This rejection is traversed.

McDonald is cited to address the features in dependent claim 53 but does not remedy the deficiencies of DiRaimondo, as explained above.

**New Claims 59-63**

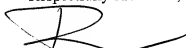
New claims 59-63 have been added. Support for these claims can be found at least in paragraphs [0019]-[0020], [0026]-[0028], and [0049]. No new matter has been added. New independent claim 59 contains similar features as described above and thus claim 59 and any claims dependent thereon are distinguishable over DiRaimondo as explained above.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Raquel Pacheco', with a long horizontal flourish extending to the right.

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